

BEFORE THE TAX COMMISSION OF THE STATE OF IDAHO

In the Matter of the Protest of)	
)	DOCKET NO. 19680
[REDACTED],)	
)	DECISION
Petitioners.)	
_____)	

On July 18, 2006, the Tax Discovery Bureau (TDB) of the Idaho State Tax Commission (Commission) issued a Notice of Deficiency Determination (NOD) to [Redacted] (petitioners) proposing additional income tax, penalty, and interest for tax year 2003 in the total amount of \$7,863.

A timely protest and petition for redetermination was filed by the petitioners. The petitioners have not requested a hearing. The Commission has reviewed the file, is advised of its contents, and hereby issues its decision affirming the NOD.

The petitioners were issued a NOD by the Commission [Redacted]. [Redacted] TDB, therefore, issued a NOD based on that information and adjusted the petitioners' Idaho return. The Commission finds that the TDB correctly recomputed the petitioners' tax liability [Redacted].

In the petitioners' protest letter, he indicated that he had no documentation to show how much income he had in 2003. He stated his wife did the taxes [Redacted] and was subsequently deported [Redacted] before sending him copies of the returns.

The Idaho State Tax Commission provided a copy of the petitioners' 2003 tax return originally filed with Idaho to the petitioners. Both spouses signed the return on April 15, 2004. [Redacted.] On February 26, 2007, the Tax Policy Specialist (policy specialist) sent the petitioners a letter to inform them of the alternatives for redetermining a protested NOD.

In March 2007, the policy specialist spoke with [Redacted] by phone and agreed to send him

a copy of the [Redacted] audit of petitioners' 2003 income tax return to help him identify the sources of unreported income and deductions for that year.

A follow-up letter was sent to the petitioners on April 18, 2007. That letter included a copy of the federal adjustments for 2003 and asked the petitioners to respond within ten days. The petitioners did not respond to this letter.

Idaho Code § 63-3002 states that it is the intent of the Idaho legislature insofar as possible to make the Idaho Income Tax Code identical to the Internal Revenue Code in the way taxable income is determined. Idaho Code § 63-3069 states that, upon a final determination of any deficiency or refund of federal taxes, written notice shall be immediately sent to the State Tax Commission by a taxpayer. IDAPA 35.01.01.890.03 Income Tax Administrative Rule states that immediate written notification is required within 60 days of the final determination.

From the cited Idaho Code sections and the Administrative Rule, it is apparent the Idaho legislature intended any changes made to a taxpayer's federal return to be reflected on the taxpayer's Idaho return. Therefore, it is the Commission's position the changes made to a taxpayer's federal return must be made to the state return.

Following the Idaho Code, the adjustments should be made to the petitioners' Idaho income tax return. The petitioners have the burden of proving the adjustments were incorrect. The petitioners have failed to carry the burden in this matter.

Since the petitioners have not provided the Commission with a contrary result [Redacted], the Commission must uphold the deficiency as asserted.

WHEREFORE, the Notice of Deficiency Determination dated July 18, 2006, is hereby APPROVED, AFFIRMED, and MADE FINAL.

IT IS ORDERED and THIS DOES ORDER that petitioners pay the following tax,

penalty, and interest:

<u>YEAR</u>	<u>TAX</u>	<u>PENALTY</u>	<u>INTEREST</u>	<u>TOTAL</u>
2003	\$6,576	\$329	\$1,495	\$8,400

Interest is calculated through December 4, 2007.

DEMAND for immediate payment of the foregoing amount is hereby made and given.

An explanation of the petitioners' right to appeal this decision is enclosed.

DATED this _____ day of _____, 2007.

IDAHO STATE TAX COMMISSION

COMMISSIONER

CERTIFICATE OF SERVICE

I hereby certify that on this _____ day of _____, 2007, a copy of the within and foregoing DECISION was served by sending the same by United States mail, postage prepaid, in an envelope addressed to:

[REDACTED]
[REDACTED]

Receipt No.
